



United States Department of the Interior
Office of Valuation Services
Mountain Region

APPRAISAL REVIEW

Bureau of Land Management
Pitkin BLM Parcels (A, B, and B-1) of the
Sutey Ranch BLM Land Exchange
Pitkin County, Colorado

IVIS No. L12213

APPRAISAL REPORT PREPARED BY:

Kevin A. Chandler, MAI
Chandler Consulting
Steamboat Springs, Colorado 80477

EFFECTIVE DATE OF VALUE:

November 15, 2012

TYPE OF VALUE

Market Value

PROPERTY APPRAISED:

A total of 1,269.37 acres (Federal Parcels A, B, and B-1)
Located: T.8 S, R.87 & 88 W., Southeast of Town of Carbondale,
Pitkin County, Colorado

APPRAISAL REVIEW REPORT PREPARED BY:

Kent C. Stevens, MAI

DATE OF APPRAISAL REVIEW REPORT:

January 10, 2013



United States Department of the Interior
Office of Valuation Services
Mountain Region

January 10, 2013

Maryanne Kurtinaitis
BLM State Office
2850 Youngfield Street
Lakewood, CO 80215

Re: Review of Appraisal by Kevin A. Chandler, MAI.
BLM - IVIS No. L12213 - This is a review of an appraisal of three Federal
Parcels (A, B, and B-1) of the BLM Sutey Ranch BLM Land Exchange. The
parcels are located within Pitkin County, Colorado. Other parcels of the exchange
are located in Garfield and Eagle Counties (IVIS No. L12213 also includes
Parcels C, D, and E that are located in Eagle County). Those parcels and the non-
Federal parcels are addressed in other reports and have separate reviews.

Dear Ms. Kurtinaitis:

I have reviewed the above-captioned appraisal report to determine if it is acceptable for use by
the Bureau of Land Management. The effective date of the property appraisal under review is
November 15, 2012.

This appraisal review report has been prepared in conformance with the Uniform Standards of
Professional Appraisal Practice (USPAP), and the Uniform Appraisal Standards for Federal Land
Acquisitions (UASFLA).

Based on my review, I have concluded that the appraisal report that is the subject of this review
is approved for use by the Bureau of Land Management.

Respectfully submitted,

Kent C. Stevens, MAI, Review Appraiser
DOI - Office of Valuation Services
12136 West Bayaud Avenue, Suite 100
Lakewood, CO 80228
(303) 969 - 5366
kent_stevens@ios.doi.gov
CO State Certification No. CG-01324531

APPRAISAL REVIEW	
ARRTS Number:	L12213
Agency Case ID:	COC-74812FD
Property Owner:	Bureau of Land Management (BLM)
Agency's Proposed Action:	Determine Market Value
Property Appraised:	1,269.37 acres of land in three Federal Parcels identified as Parcels A, B, and B-1). These parcels are located southeast of the Town of Carbondale, Pitkin County, Colorado
Legal Description:	T.8 South., R.87 West and 88 West W., 6 th Principal Meridian, Pitkin County, Colorado
Appraiser:	Kevin A. Chandler, MAI of Chandler Consulting
Real Property Interest:	Fee Simple (subject to reservations of record)
Highest and Best Use:	Agriculture and / or Recreation and / or possible assemblage with surrounding private lands
Present Use:	Recreation and Agriculture use (as currently vacant).
Effective Date of Value:	November 15, 2012
Date of Appraisal Report:	December 15, 2012
Date of Review Report:	January 10, 2013
Client of Review:	Office of Valuation Services (OVS)
Intended Users of Review:	Office of Valuation Services (OVS), Western Land Group, Leslie and Abigail Wexner, as represented by Gideon Kaufman, and the Bureau of Land Management (BLM)
Intended Use of Review:	Determine if use of appraisal estimate of market value is acceptable for use by BLM.
Market Value	\$3,175,000 (\$2,500 per acre as rounded for the property)
Improvement Allocation:	N / A
Extraordinary Assumptions:	N / A
Hypothetical Conditions:	The Appraiser has made one instructed hypothetical condition - has assumed that the property is in private ownership, zoned consistent with similar non-Federal property in the area (i.e., the current zoning of RS-30 by Pitkin County), and available for sale on the open market.

Reviewer Recommends: Approval of the appraisal report for use by the BLM.

Purpose of the Review: The purpose of this review is to evaluate compliance by the appraiser with the OVS Statement of Work (SOW), the Uniform Standards of Professional Appraisal Practice (USPAP), and Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA).

Scope of the Review: I inspected subject Parcels A, B and B-1, comprising 1,269.37 acres on August 23rd and November 15, 2012. The August 23rd inspection I was with Kevin Chandler and several other people from Western Land Group, BLM and representatives of different land owners. On August 22 - 23 we visited and inspected all of the properties involved with the proposed exchange and several of the comparable sales used in the report.

On November 15th I again inspected the subject site (all of the exchange parcels) with Appraiser Kevin Chandler. We were accompanied by James Sander, an OVS employee. I have been provided considerable data, maps, legal descriptions, and other information pertaining to the various subject sites involved in the proposed exchange. I have had a number of discussions with Kevin Chandler and others regarding aspects of the various appraisal problems associated with the proposed exchange. Beyond ascertaining compliance with the SOW, USPAP, and UASFLA, the reviewer read the report and verified that the correct property and property rights were valued by the Appraiser. The reviewer is relying on the factual data contained in the appraisal report in the conduct of this review assignment.

As review appraiser it is useful to appreciate the context of this specific review being one part of four separate reviews of four separate reports of the Sutey Ranch BLM Land Exchange. As shown on page 12 of the report titled SUMMARY OF APPRAISAL PROBLEMS, the exchange includes six Federal parcels and two non-Federal parcels. The six Federal Parcels are presented in two separate reports with two separate reviews. The two non-Federal parcels each have one report and there is one review for each non-Federal report.

ASSUMPTIONS AND LIMITING CONDITIONS

1. I do not authorize the out-of-context quoting from, or partial reprinting of, this review report.
2. This review report is based on information and data contained in the appraisal report, which is the subject of the review.
3. It is assumed that the data contained in the appraisal report are factual and accurate.
4. The reviewer reserves the right to reconsider the conclusions reached in this review should any new or additional information become available that contradicts the data relied upon in the appraisal report under review.
5. Unless otherwise stated, all assumptions and limiting conditions contained in the appraisal report, which is the subject of this appraisal review, are also conditions of this review.

REVIEWER'S OPINIONS, REASONS, ANALYSES, COMMENTS, AND CONCLUSIONS

a) Develop an opinion as to the accuracy and completeness of the material under review, given the reviewer's scope of work.

The appraisal report appears to be accurate and complete. The description in the report of the three parcels, Parcels A, B, and B-1, with a combined total area of 1,269.37 acres, appears to be accurate and appropriate. The three parcels are located about three air miles southeast of the Town of Carbondale, in the Crystal River Valley area of unincorporated Pitkin County, Colorado.

Based on my review, the report complies substantially with the Statement of Work (SOW). The report does not include any Extraordinary Assumptions but does have a Hypothetical Condition that the property is in private ownership, zoned consistent with similar non-Federal property in the area (i.e., the current zoning of RS-30 by Pitkin County), and available for sale on the open market. A definition of market was provided in the SOW and this definition was used in the appraisal report. Overall, the report is accurate and complete and complies substantially with USPAP, UASFLA, and the SOW issued for the assignment.

b) Develop an opinion as to the apparent adequacy and relevance of the data and the propriety of any adjustments to the data, given the reviewer's scope of work.

The report provided considerable information regarding the subject parcels. The property data description and analysis was more than adequate including key items as listed below:

Larger Parcel – the three tests that must be considered are unity of ownership, unity of use, and physical contiguity. The three parcels meet two of the tests but not the physical contiguity. The Appraiser concluded that the three parcels would have the same price per acre based on the highest and best use conclusion of agriculture and recreation and also that there does not appear to be an active market for the subject sites as three separate parcels. Valuing the three parcels as one larger parcel is reasonable and appropriate.

Access is an important issue with each of the subject parcels and especially with 1,240 acre Parcel A. The subject Parcel A is located west of County Road 111 by several hundred feet. Each parcel has seasonal vehicular access from private roads from adjoining Two Shoes Ranch. However, those roads are controlled by the proponent and the general public is granted no legal rights to use them. The proponent can provide vehicular access to each subject parcel from private roads. However, the general public only has legal and physical access to Parcels A and B from unauthorized pedestrian trails on adjacent Federal land, via a long hike across steep terrain.

Zoning and Land Use – The Appraiser presents considerable data that addresses the zoning and development options for the 1,240 acre Parcel A. They could be summed up as having very limited development potential given severe development constraints, no access to a County road and lack of eligibility for a residential GMQS Exemption to build even one house.

Highest and Best Use – is limited to agriculture and / or recreation due to the lack of vehicular access, as well as assemblage with adjacent land (Two Shoes Ranch).

The Appraiser identified six primary comparable sales with an additional eight sales recognized as superior to the subject and not selected as primary comparables. Each of the primary comparable sales was thoroughly analyzed including comments, photos and maps. In summary, the report contains sufficient relevant market data and appropriate analysis leading to a credible result.

c) Develop an opinion as to the appropriateness of the appraisal methods and techniques used, given the reviewer's scope of work, and develop the reasons for any disagreement.

The report describes the appraisal methodology of the three standard approaches to value and concludes that the Sales Comparison Approach was the only approach applicable to this assignment.

The Appraiser concluded there was insufficient data in the local market to make a matched-pair analysis of the sales and derive well-supported quantitative adjustments (i.e., percentage or dollar amounts) for most units of comparison. The exception is percentage adjustments for market conditions and access as shown on the Comparable Sales Summary and Adjustment Grid on page 50 of the report. The quantitative adjustments were developed from a variety well documented sales as demonstrated by the Summary of Quantitative Adjustments for Access chart on page 53.

The Appraiser analyzed the comparable sales data for the subject parcels using well written narrative describing the analysis used to reach an opinion of value. The appraisal process, methods, techniques and analysis used in the report analysis and discussion were appropriate and the conclusion is reasonable.

d) Develop an opinion as to whether the analyses, opinions, and conclusions are appropriate and reasonable, given the reviewer's scope of work, and develop the reasons for any disagreement.

The raw data from the six comparable sales indicated a range from a low of \$1,879 to a high of \$12,183 per acre. After quantitative adjustments for market conditions and access the range was narrower with a low of \$1,879 and a high of \$4,554 per acre. After qualitative adjustments the comparable sales indicate a market value for the subject property that would be slightly more than \$1,879 (Sale 4), \$2,133 (Sale 5), and \$2,331 (Sale 6) per acre, respectively, slightly less than \$2,816 (Sale 1) as well as \$3,000 (Sale 3), respectively, and substantially less than \$4,554 per acre. The Appraiser's opinion of the current market value of the Pitkin BLM Parcels is \$2,500 per acre, with total value for the 1,269.37 acre holding (as a single larger parcel) calculated as follows:

1,269.37 Acres @ \$2,500 = \$3,173,425

Rounded - \$3,175,000

Conclusion:

The concluded value of **\$3,175,000** for the subject 1,269.37 acres is approved and considered appropriate and reasonable.

REVIEWER CERTIFICATION

I, the undersigned, certify that to the best of my knowledge and belief:

1. The facts and data reported by the reviewer and used in the review process are true and correct.
2. The analyses, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review report, and are my personal, impartial, and unbiased professional analysis, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of the work under review, or to the parties involved with this assignment.
5. I have not performed any services regarding the subject property within the three year period immediately preceding acceptance of the assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in this review or from its use.
8. My analyses, opinions, and conclusions were developed and this review report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) and the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA) except to the extent that UASFLA requires the invocation of the USPAP's Jurisdictional Exception Rule, as described in Section D-1 of UASFLA.
9. I did personally inspect the subject property (Parcels A, B and B-1) with contract appraiser Kevin A. Chandler, MAI, and others on August 23 and November 15, 2012; I did inspect several of the market comparables cited in the appraisal report under review; have not verified any of the factual data presented in the appraisal report reviewed.
10. No one provided significant professional assistance to the review appraiser.
11. As of the date of this report, I have completed the continuing education program of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.

Review Appraiser

Signature

Kent C. Stevens, MAI

License or Certification
Number

Colorado CG-01324531

Date Signed

Desk Review

Field Review

Date(s) of Field Review

Yes	No
	X
X	
August 23 and November 15, 2012	

REVIEWER'S QUALIFICATIONS

Kent C. Stevens, MAI
Review Appraiser, DOI, OVS
C/o Office of Valuation Services (OVS), 12136 West Bayaud Avenue, Suite 100,
Lakewood, CO 80228
Email:kent_stevens@ios.doi.gov; Telephone: (303) 969-5366; Fax: (303) 969-5503

EDUCATION:

B.S., BUSINESS MANAGEMENT, FINANCE

BRIGHAM YOUNG UNIVERSITY (BYU), Provo, Utah, 1979

Mr. Stevens has successfully completed a number of classes offered by the American Institute of Real Estate Appraisers (AI) and the American Society of Farm Managers & Rural Appraisers (ASFMRA).

EXPERIENCE:

REVIEW APPRAISER, 2003 – Present

U.S. DEPT. OF THE INTERIOR, Office of Valuation Services (OVS) – formerly Appraisal Services Directorate (ASD), Lakewood, Colorado

As Review Appraiser, Mr. Stevens is responsible for contracting and reviewing appraisals for the OVS BLM Team and other assignments as required.

APPRAISER / REVIEW APPRAISER, 1996 - 2003

NATIONAL PARK SERVICE (NPS), Lakewood, Colorado

Appraised and / or contracted and reviewed Concession improvements located within National Parks.

APPRAISER / REVIEW APPRAISER 1988 – 1996

GENERAL SERVICES ADMINISTRATION (GSA), Lakewood, Colorado

Prepared and / or contracted and reviewed RENT appraisals, prepared and / or contracted and reviewed narrative appraisals on land for expanding US Courts or new construction and for government used space including office, warehouse, etc.

STAFF APPRAISER 1986 – 1988

BUREAU OF INDIAN AFFAIRS (BIA), Billings, Montana

Appraised and / or reviewed appraisals of tribal allotments and / or building improvements located within Indian Reservations in Montana and Wyoming.

FEE APPRAISER – 1983 - 1986

BRADY APPRAISAL AND ASSOCIATES, Billings, Montana

Mr. Stevens was introduction to the appraisal industry by initially beginning as a researcher / appraisal trainee. He researched information and increasingly participated in appraising residential, commercial, industrial, and farm / ranch properties.

PROFESSIONAL DESIGNATIONS AND LICENSES:

MAI, awarded by the Appraisal Institute, April 2006

Colorado Certified General License Number: CG-01324531 awarded 1992.